



**WILKES TELEPHONE
Membership Corporation**

P. O. BOX 740
Millers Creek, North Carolina 28651-0740
973-3103 Area 336

**A Wilkes Chamber Member
Supporting**



October 26, 1999

**RECEIVED
OCT 29 1999
FCC MAIL ROOM**

DOCKET FILE COPY ORIGINAL

Ms. Magalie Roman Salas
Office of the Secretary
Federal Communications Commission
445 Twelfth Street SW
TW-A325
Washington DC 20554

RE: In the Matter of Federal-State Joint Board on
Universal Service (CC Docket NO. 96-45) and
Forward-Looking Mechanism for High Cost
Support for Non-Rural LECs (CC Docket No. 97-160)

Dear Ms. Salas:

Enclosed herewith for filing with the Commission are the original and five copies of Wilkes Telephone Membership Corporation comments in the above-captioned matter.

Please acknowledge receipt hereof by affixing a notation on the duplicate copy of this letter furnished herewith for such purposes and remitting same to bearer.

Very truly yours,

C. E. Ritenour, Jr.
C. E. Ritenour, Jr.
General Manager

dj

No. of Copies rec'd 045
List ABCDE



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Ms. Sheryl Todd
Accounting Policy Division
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: ID of Coop --- 0510, Self-Certification as a "Rural Telephone Company"
Pursuant to Paragraph 310 of FCC 97-157

Dear Ms. Todd:

I, C. E. Ritenour, Jr., General Manager of Wilkes Telephone Membership Corporation do hereby certify that Wilkes Telephone Membership Corporation meets the definition of "rural carrier" or "Rural Telephone Company" as defined by Section 153(37) of the Telecommunications Act of 1934, as amended by the Telecommunications Act of 1996.

Wilkes Telephone Membership Corporation provides telephone exchange service, including exchange access, to fewer than 50,000 access lines. As evidence thereof, attached hereto is RUS Form 479 on which Wilkes Telephone Membership Corporation is required to report the number of access lines it serves to the Rural Utilities Service as indicated in Part C, line 4. Accordingly, as of December 31, 1998, Wilkes Telephone Membership Corporation served a total of 10,125 access lines.

If you have any question relative to this Self-Certification, please do not hesitate to contact C. E. Ritenour, Jr., General Manager of Wilkes Telephone Membership Corporation.

Sincerely,

C. E. Ritenour, Jr.

C. E. Ritenour, Jr.

General Manager, Wilkes Telephone Membership Corp.

dj

Enclosures

cc: Inez McLean, Administrator
North Carolina Rural Electrification Authority

Joanne Sanford, Chair
North Carolina Utilities Commission

Mike Lewis & Ellen Richardson
National Exchange Carrier Assoc.

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

BORROWER NAME AND ADDRESS

FINANCIAL AND STATISTICAL REPORT
FOR TELECOMMUNICATIONS BORROWERSWilkes Telephone Membership Corp.
P. O. Box 740
Millers Creek, NC 28651-0740INSTRUCTIONS: Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

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BORROWER DESIGNATION

North Carolina 521 Wilkes

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

C. E. Ritenour, Jr.

SIGNATURE OF MANAGER

3/15/99

DATE

May Hendren

SIGNATURE OF OFFICER

3-15-99

DATE

PART A. BALANCE SHEET

ASSETS		BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES	
1. Cash and Equivalents		\$2,227,989	26. Accounts Payable	\$661,459
2. Cash-RUS Construction Fund		0	27. Notes Payable	0
3. Telecommunication Accounts Receivable		492,357	28. Advance Billings and Payments	197,682
4. Other Accounts Receivable			29. Customer Deposits	3,890
a. Affiliates	0		30. Current Maturities Long-Term Debt	0
b. Non-Affiliates	630,567		31. Current Maturities Long-Term Debt-Rural Dev.	0
Total		630,567	32. Current Maturities-Capital Leases	0
5. Notes Receivable			33. Income Taxes Accrued	0
6. Interest and Dividends Receivable			34. Other Taxes Accrued	(20)
7. Material-Regulated		458,682	35. Other Current Liabilities	178,776
8. Material-Nonregulated		23,694		
9. Prepayments		(86)	36. Total Current Liabilities (26 thru 35)	1,041,787
10. Other Current Assets			LONG-TERM DEBT	
11. Total Current Assets (1 thru 10)		3,833,203	37. Funded Debt-RUS Notes	9,108,652
NONCURRENT ASSETS			38. Funded Debt-RTB Notes	0
12. Investment in Affiliated Companies			39. Funded Debt-FFB Notes	0
a. Rural Development	0		40. Funded Debt-Other	2,982,049
b. Non Rural Development	0		41. Funded Debt-Rural Development Loan	0
Total		0	42. Premium (Discount) on Long Term Debt	0
13. Other Investments			43. Reacquired Debt	0
a. Rural Development	0		44. Obligations Under Capital Lease	0
b. Non Rural Development	1,205,807		45. Advances From Affiliated Companies	0
Total		1,205,807	46. Other Long-Term Debt	0
14. Nonregulated Investments		58,180	47. Total Long-Term Debt (37 thru 46)	12,090,701
15. Other Noncurrent Assets		0	OTHER LIABILITIES AND DEFERRED CREDITS	
16. Deferred Charges		104,767	48. Other Long-Term Liabilities	1,472,900
17. Jurisdictional Differences		0	49. Other Deferred Credits	34,705
			50. Other Jurisdictional Differences	0
18. Total Noncurrent Assets (12 thru 17)		1,368,754	51. Total Other Liabilities and Deferred Credits (48 thru 50)	1,507,605
PLANT, PROPERTY, AND EQUIPMENT			EQUITY	
19. Telecommunications Plant-in-Service		37,803,463	52. Capital Stock Outstanding and Subscribed	0
20. Property Held for Future Use		0	53. Additional Paid-in Capital	0
21. Plant Under Construction		2,882	54. Treasury Stock	0
22. Plant Adjustment, Nonoperating Plant, and Goodwill		0	55. Membership and Capital Certificates	112,680
23. Less Accumulated Depreciation		17,482,197	56. Other Capital	0
24. Net Plant (19 thru 22 less 23)		20,324,148	57. Patronage Capital Credits	8,732,244
			58. Retained Earnings or Margins	2,041,088
25. TOTAL ASSETS (11 + 18 + 24)		\$25,526,105	59. Total Equity (52 thru 58)	10,886,012
			60. TOTAL LIABILITIES AND EQUITY (36 + 47 + 51 + 59)	\$25,526,105

**FINANCIAL AND STATISTICAL REPORT
FOR TELECOMMUNICATIONS BORROWERS**

North Carolina 521 Wilkes
PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

12/31/98

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	THIS PERIOD (a)	THIS YEAR (b)	LAST YEAR (c)
1. Local Network Services Revenues		\$2,738,550	\$2,490,827
2. Network Access Services Revenues		4,249,799	4,141,496
3. Long Distance Network Services Revenues		585,459	492,152
4. Carrier Billing and Collection Revenues		187,510	192,249
5. Miscellaneous Revenues		421,088	264,001
6. Uncollectible Revenues		37,490	25,991
7. Net Operating Revenues (1 thru 5 less 6)		8,144,916	7,554,734
8. Plant Specific Operations Expense		1,216,555	1,137,256
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		316,027	290,692
10. Depreciation Expense		3,040,218	2,917,889
11. Amortization Expense		0	0
12. Customer Operations Expense		324,598	313,556
13. Corporate Operations Expense		876,962	1,070,099
14. Total Operating Expenses (8 thru 13)		5,774,360	5,729,492
15. Operating Income or Margins (7 less 14)		2,370,556	1,825,242
16. Other Operating Income and Expense		0	0
17. State and Local Taxes		0	0
18. Federal Income Taxes		0	0
19. Other Taxes		0	1,467
20. Total Operating Taxes (17 + 18 + 19)		0	1,467
21. Net Operating Income or Margins (15 + 16 - 20)		2,370,556	1,823,775
22. Interest on Funded Debt		365,875	382,826
23. Interest Expense - Capital Leases		0	0
24. Other Interest Expense		244,357	217,222
25. Allowance for Funds Used During Construction		20,350	18,363
26. Total Fixed Charges (22 + 23 + 24 - 25)		589,882	581,685
27. Nonoperating Net Income		209,349	130,669
28. Extraordinary Items		0	0
29. Jurisdictional Differences		0	0
30. Nonregulated Net Income		51,065	45,104
31. Total Net Income or Margins (21 + 27 + 28 + 29 + 30 - 26)		2,041,088	1,417,863
32. Total Taxes Based on Income			0
33. Retained Earnings or Margins Beginning-of-Year		1,417,863	1,258,016
34. Miscellaneous Credits Year-to-Date		39,973	37,504
35. Dividends Declared (Common)		0	0
36. Dividends Declared (Preferred)		0	0
37. Other Debits Year-to-Date		0	0
38. Transfers to Patronage Capital		1,457,836	1,295,520
39. Retained Earnings or Margins End-of-Period		2,041,088	1,417,863
40. Patronage Capital Beginning-of-Year		7,940,988	6,962,182
41. Transfers to Patronage Capital		1,457,836	1,295,520
42. Patronage Capital Credits Retired		666,580	316,714
43. Patronage Capital End-of-Year		8,732,244	7,940,988
44. Annual Debt Service Payments		950,928	927,065
45. Cash Ratio [(14 + 20 - 10 - 11) / 7]		0.3357	0.3724
46. Operating Accrual Ratio [(14 + 20 + 26) / 7]		0.7814	0.8356
47. TIER [(31 + 26) / 26]		4.4600	3.4300

North Carolina 521 Wilkes

INSTRUCTIONS- See RUS Bulletin 1744-2

12/31/98

PART C. SUBSCRIBER (ACCESS LINE) DATA (See Part C Continuation Attached)

EXCHANGE	1. RATES		2. BUSINESS SUBSCRIBERS (ACCESS LINES)					3. RESIDENCE SUBSCRIBERS (ACCESS LINES)			
	B-1 (a)	R-1 (b)	1 PARTY (a)	2 PARTY (b)	4 PARTY (c)	PAY (d)	TOTAL (e)	1 PARTY (a)	2 PARTY (b)	4 PARTY (c)	TOTAL (d)
BOOMER	\$23.40	\$14.10	129				129	1,591			1,591
CHAMPION	23.40	14.10	440				440	3,096			3,096
CLINGMAN	23.40	14.10	143				143	1,561			1,561
LOMAX	23.40	14.10	216				216	2,949			2,949
TOTAL			928	0	0	0	928	9,197	0	0	9,197

ITEM	NUMBER		TOTAL (c)	BILLED ACCESS MINUTES	ORIGINATING	TERMINATING
	BUSINESS	RESIDENTIAL				
	(a)	(b)				
4. Total Subscribers (Access Lines) *			10,125	11. Interstate, Inter-LATA		
5. Gain (Loss) in Access Lines (During Prd.)				12. Interstate, Intra-LATA		
6. Held Applications (End of Period)				13. Intrastate, Inter-LATA		
7. Mobile Radio Telephones in Service				14. Intrastate, Intra-LATA		
8. Paging Units in Service				15. No. Plant Employees		
9. Cellular Subscribers				16. No. Other Employees		
10. Official Stations (Access Lines)						

* Total Subscribers (4c) = Business Subscribers (2e Total) + Residence Subscribers (3d Total) + Mobile Radio Telephones in Service (7c) + Cellular Subscribers (9c)

PART D. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS

ACCOUNTS	BALANCE BEGINNING OF YEAR (a)	PLANT ADDED (b)	PLANT RETIRED (c)	ADJUSTMENTS & TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Land and Support Assets					
2. Central Office Switching					
3. Operator Systems					
4. Central Office Transmission					
5. Infor. Orig./Term Assets					
6. Cable and Wire Facilities					
7. Amortizable Tangible Assets					
8. Intangibles					
9. Subtotal (1 thru 8)					
10. Telecommunications Plant Acquired					
11. Telecommunications Plant Sold					
12. Subtotal (9 + 10 - 11)					
13. Property Held for Future Use					
14. Telecom. Plant Under Construction					
15. Telecommunications Plant Adjustment					
16. Nonoperating Plant					
17. Goodwill					
18. Total (12 thru 17)					

North Carolina 521 Wilkes
PERIOD ENDING

PART J. GENERAL FUNDS AND INVESTMENTS (Continued)

[illegible]

FINANCIAL AND STATISTICAL REPORT FOR TELECOMMUNICATIONS BORROWERS

North Carolina 521 Wilkes

PERIOD ENDING

INSTRUCTIONS: See RUS Bulletin 1744-2

12/31/98

PART E. ANALYSIS OF DEPRECIATION RESERVE

- 1 Depreciation Reserve Balance -Beginning of year
- 2 Additions:
 - Depreciation Expense (Same as Part B, line 10)
- 3 Less Plant Retirements:
 - a Original Cost of Plant Retired (Part D, line 9c less line 8c)
 - b Removal Costs
 - c Subtotal (3a + 3b)
- 4 Plus Salvage
- 5 Subtotal (2 + 4 - 3c)
- 6 Other Adjustments - (Debit) or Credit
- 7 Balance - End of Year (1 + 5 + 6)

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB & FFB Loan Funds Expended \$0
2. Other Long-Term Loan Funds Expended 0
3. Funds Expended Under RUS Interim Approval 0
4. Other Short-Term Loan Funds Expended 0
5. General Funds Expended (Other Than Interim) 3,032,101
6. Salvaged Materials 76,457
7. Contribution in Aid to Construction 0
8. Gross Additions to Telecom. Plant (1 thru 7) 3,108,558

PART G. CENTRAL OFFICE PLANT (☐ See Part G Continuation Attached)

EXCHANGE NAME (a)	NUMBER OF SWITCHES			NUMBER OF ACCESS LINES SERVED BY:		ROUTE MILES OF LINE	
	DIGITAL		ANALOG	DIGITAL SWITCHES (e)	ANALOG SWITCHES (f)	TOTAL (including fiber) (g)	FIBER (h)
	HOST (b)	REMOTE (c)					
BOOMER						280	33
CHAMPION						527	62
CLINGMAN						287	31
LOMAX						451	38
Route mileage outside of exchange area						0	0
NUMBER OF EXCHANGES 4							
SYSTEM TOTALS						1,545	164

PART H. SYSTEM DATA

1. No. of Toll Trunk Terminations	2. No. of EAS Trunk Terminations	3. Square Miles Served	4. Access Lines Per Square Mile	5. Subscribers Per Route Mile
		562	18.01	6.55

PART I. TOLL DATA

1. Types of Toll Settlements (Check One)

Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis
Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis
2. If average, do you have a planned date to convert to cost? (Check One): If YES, when?

<input type="checkbox"/> YES	<input type="checkbox"/> NO
------------------------------	-----------------------------
3. Are you a participant in the NECA Interstate Traffic Sensitive Pool? (Check One)

<input type="checkbox"/> YES	<input type="checkbox"/> NO
------------------------------	-----------------------------
4. What type of Intrastate Inter-LATA and Intra-LATA settlements do you have in your service area? Give brief explanation below

North Carolina 521 Wilkes
PERIOD ENDING

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[illegible][illegible]

FINANCIAL AND STATISTICAL REPORT FOR TELECOMMUNICATIONS BORROWERS

North Carolina 521 Wilkes

PERIOD ENDING

INSTRUCTIONS: See RUS Bulletin 1744-2

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PART J. GENERAL FUNDS AND INVESTMENTS (☒ See Part J Continuation Attached)

NAME OF COMPANY OR INVESTMENT (a)	CURRENT YEAR DATA		CUMULATIVE DATA		CURRENT BALANCE (f)
	INVESTMENT THIS YEAR (b)	INCOME OR LOSS THIS YEAR (c)	CUMULATIVE INVESTMENT TO DATE (d)	CUMULATIVE INCOME OR LOSS TO DATE (e)	
1. Investment in Affiliated Companies Rural Development					
TOTAL (Same as Part A, Line 12 a)					>
2. Investment in Affiliated Companies - Non Rural Development					
TOTAL (Same as Part A, Line 12 b)					>
COMPANY, INVESTMENT OR DEPOSITORY NAME (a)	FORM OR TYPE OF INVESTMENT (h)		MATURITY DATE (c)	CURRENT BALANCE (d)	
3. Other Investments - Rural Development					
TOTAL (Same as Part A, Line 13 a)					>
4. Other Investments - Non Rural Development					
Rural Telephone Bank Stock					
See Attachment					
TOTAL (Same as Part A, Line 13 b)					>
5. Nonregulated investments & Nonregulated Material					
TOTAL (Same as Part A, Line 14 - Line 8)					>
6. Cash & Equivalents					
CD's in various institutions					
See Attachment					
TOTAL (Same as Part A, Line 1)					>
TOTAL GENERAL FUNDS AND INVESTMENTS					>

BORROWER DESIGNATION

North Carolina 521 Wilkes

PERIOD ENDING

INSTRUCTIONS. See RUS Bulletin 1744-2

12/31/98

PART K. NOTES RECEIVABLE (Account 1200)

[illegible]

PART L. OTHER ACCOUNTS RECEIVABLE (*Account 1190*)

[illegible]

PART M. NOTES PAYABLE

[illegible]

PART N. COMPENSATION OF OFFICERS, DIRECTORS AND MANAGERS

[illegible]

FINANCIAL AND STATISTICAL REPORT
FOR TELECOMMUNICATIONS BORROWERS

North Carolina 521 Wilkes
PERIOD ENDING

12/31/98

PART O. CURRENT DEPRECIATION RATES

Are company's depreciation rates subject to Public Service Commission approval? (Check one)

☐ YES ☒ NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Buildings	3.55%
2. Office Equipment - General	15.95%
3. COE General [See footnote (a) below]	9.87%
4. COE Digital	9.30%
5. Digital Software [See footnote (b) below]	9.30%
6. COE Electronic Equipment [See footnote (c) below]	9.30%
7. COE Radio	9.10%
8. COE Composite [See footnote (d) below]	9.96%
9. Radiotelephone	N/A
10. PBX	N/A
11. Pay Stations	16.80%
12. Pole Lines	8.80%
13. Aerial Cable - Metal	7.40%
14. Aerial Cable - Fiber	5.50%
15. Underground Cable - Metal	N/A
16. Underground Cable - Fiber	N/A
17. Buried Cable - Metal	8.10%
18. Buried Cable - Fiber	5.30%
19. Underground Conduit	N/A
20. Motor Vehicles	15.00%
21. Vehicles - Other	N/A
22. Tool & Work Equipment	7.50%

FOOTNOTES:

(a) Weighted average of all COE accounts.

(b) Digital software upgrade including hardware.

(c) COE Electronic equipment except radio.

(d) Weighted average of all COE accounts except switching equipment.

NOTES TO THE FINANCIAL AND STATISTICAL REPORT:

BORROWER: North Carolina 521 Wilkes PERIOD ENDING: 12/31/98

ERROR REPORT: Correct all listed errors, if possible. After making changes, provide an explanation for errors which remain.

ERRORS

EXPLANATION

A1 is not > 0.
A11 is not > 0.
A18 is not > 0.
A19 is not > 0.
A24 is not > 0.
A25 is not > 0.
A30 is not > 0.
A36 is not > 0.
A47 is not > 0.
A55 is not > 0.
A57 is not > 0.
A59 is not > 0.
A60 is not > 0.
B14b is not > 0.
B14c is not > 0.
B15b is not > 0.
B15c is not > 0.
B1b is not > 0.
B1c is not > 0.
B20b is not > 0.
B20c is not > 0.
B22b is not > 0.
B22c is not > 0.
B26b is not > 0.
B26c is not > 0.
B2b is not > 0.
B2c is not > 0.
B31b is not > 0.
B31c is not > 0.
B3b is not > 0.
B3c is not > 0.
B6b is not > 0.
B6c is not > 0.
B7b is not > 0.
B7c is not > 0.
C11(originating) is not > 0.
C11(terminating) is not > 0.
C14(originating) is not > 0.
C14(terminating) is not > 0.
C15 is not > 0.
C16 is not > 0.
C2a(total) is not > 0.
C2e(total) is not > 0.
C3a(total) is not > 0.
C3d(total) is not > 0.
E1 is not > 0.
E2 is not > 0.
E7 is not > 0.
G(a) lists no exchanges.
G(g)total is not > 0.
G(g)total should not = H3.
H1 is not > 0.
H3 is not > 0.
I(1) interstate box not checked.

I(1) intrastate box not checked.
I(3) box not checked.
I(4) answer not given.
P1a not completed.
P1b not completed.
P2 not completed.
P3ai not completed.
P3aai not completed.
P4ai not completed.
P4aai not completed.
P5ai not completed.
P5aai not completed.
P6a not completed.
P6b not completed.
P7a not completed.
Part O PSC approval box not checked.